

December 7, 2009

UTAH DISTRICT NEWSLETTER

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Save the Date:

December 9, 2009
Salt Lake SCORE Workshop
Salt Lake County Building Complex
Salt Lake City, UT
(801) 746-2269

December 10, 2009
SBA Holiday Open House
SBA Office
125 South State Street, 2nd floor
Salt Lake City, UT
1:30 pm to 3:00 pm
Contact: (801) 524-3209

December 15, 2009
SBA Lender Recognition Breakfast
Zions Bank Basketball Center
7:30 am to 9:00 am
Contact: Pat Fewkes (801) 524-3218

Helping small businesses
start, grow and succeed.



"Estimates show that retail and service businesses earn as much as 40 percent of total annual sales during the November-December holiday months."

Eight Critical Steps a Small Business Can Take to Survive the 2009 Holiday Season By Daniel Hannaher, SBA Region VIII Administrator

A successful 2009 holiday shopping season is of vital importance for most Utah small businesses. This period from Thanksgiving through New Year's Day will determine whether many businesses, already struggling through a deep recession, will succeed. Estimates show that retail and service businesses earn as much as 40 percent of total annual sales during the November-December holiday months. The last 18 months have been difficult on our locally owned small firms. These small businesses were directly hit by a dropping consumer confidence and a reluctance of shoppers to make large purchases. According to the National Retail Federation, nearly 84 percent of consumers say they expect to reduce their overall spending this year. There are steps that small business owners can take today that may help change these dynamics and make the 2009 holiday season more profitable and successful. The U.S. Small Business Administration (SBA) recently surveyed its resource partners to determine their top business strategies on surviving this holiday shopping season. Below are the top eight tips we received.

Monitor uncollected receivables. It is critical that small business owners monitor their accounts receivable. The holiday season brings with it vacations and distractions that can adversely affect a customer's focus on paying their bills. Customers that become lax in paying invoices and bills become an immediate drain on business cash flow. Never let customers be late in paying their bills to your business. It creates a bad precedent.

Reassess all expenses immediately. Holiday survival means creating benchmarks & ratios to better track expenses and key performance indicators. The goal is to force a business owner to more quickly and knowledgeably react to changes in the business including materials costs, labor expenses, and a drop in sales. One of the biggest expenses is inventory. Maintain strict control of inventory and your chances of surviving the holiday season are increased dramatically. Ultimately, the end result is to create a "smaller capital box" that must be filled with outside resources like business loans or credit card debt.

Employees have a lot at risk too. Involve your employees! Your employees are critical to your success and right now they may be scared to death about losing their jobs. Staying silent is never an option. Talk to your employees and tell them as much as you honestly can. Options include reducing work hours instead of laying off staff. Loyal employees may even volunteer to work a few extra hours to keep the doors open on Sundays or afterhours.

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Daniel Hannaher

Reward loyal customers with discounts, “extreme customer service”, and other incentives. During this holiday season, consider offering a 10 percent or higher discount to local customers that have supported your business throughout the year. Back this discount up with what we call “extreme customer service”. Extreme in the fact that you treat all customers like they are your most important. Personalized, one-on-one customer service is the main reason many people shop at a small business and forego the big box stores.

Dated inventory is a cash drain on any business. One successful marketing technique is to hold an after Christmas inventory blow out sale. Huge discounts on old or outdated inventory always brings the price conscience consumer to any business. This year try this before Christmas on one of the key weekend sales days. Make this a fun event. Send out inexpensive postcards using bulk mail or do an email blast announcing a one day blow out sale. Many keen business owners are now announcing these sales on social networks like Facebook. According to one business owner, this type of sale can generate approximately one month's worth of revenue in one day. Now that's smart marketing!

Immediately establish a GREAT website to drive internet Sales. Estimates show that nearly 40 percent of all sales this holiday season will be made on the internet. With most consumers moving to DSL or other high speed internet connections, making a quick sale online has become simple and fast. The first Monday after Thanksgiving has become known as “Cyber Monday” the unofficial start of the online buying season. Shopping mall crowds can be a hassle and buying on line has become the norm. Establish a website that can drive immediate sales – with relatively little cost – to your small business.

Increase cash reserves and reduce unnecessary cash outlays. This step is one that should have been instituted six months prior to the November/December holiday shopping season. Positive cash flow is what pays the bills and keeps the doors open. Cash on hand also pays those unplanned and unavoidable outlays of money. We take calls every day from small business owners needing last minute business loans to cover unexpected inventory purchases or emergency cash needs. Don't be one of those businesses left with no options and no cash on hand. Do your business a favor by increasing cash reserves and reducing unnecessary cash outlays.

Don't wait until December 25th to seek advice on saving your business. Today is the day to take charge of your business by making an appointment with one of the SBA's many resource partners – including SCORE and the Small Business Development Centers. We can help you develop a well-defined and comprehensive holiday survival strategy. And as a special Holiday gift, the counseling session is FREE. Go to www.sba.gov/ut for a list of Small Business Development Centers and SCORE Chapters in Utah.

Surviving the 2009 holiday shopping season can be less stressful by following a few simple survival strategies. This time of year there is tremendous pressure on all entrepreneurs to keep their business doors open. The holiday shopping season can make or break a business. The SBA remains committed to helping our small business community prosper and succeed. For same day assistance, contact the SBA's Utah District Office Small Business Economic Hotline at 801-524-3209. And of course, Happy Holidays!

(Daniel Hannaher is the SBA's Region VIII Administrator based in Denver. He can be reached at Daniel.hannaher@sba.gov)



We invite you to our
Holiday Open House

Date: Thursday, December 10, 2009

Time: 1:30pm to 3:00pm

Small Business Administration
125 South State Street, Room 2222
Salt Lake City, Utah

Happy Holidays

From all of us at the SBA Utah District

**Meet and Greet
Dan Hannaher
Regional Administrator
Region VIII
at the
Holiday Open House**

ANNUAL LENDER RECOGNITION BREAKFAST

On Tuesday, December 15, 2009, the Utah District Office will honor their top lenders at its Annual Lender Recognition Breakfast. The breakfast will be held at the Zions Bank Basketball Center, the Utah Jazz's practice facility located at 1414 South 500 West, Salt Lake City, Utah, from 7:30 am to 9:00 am. Recognition awards will be given in the following categories:

High Three District Producers
Most Loans by Asset Size
Most ARC Loans by Asset Size
Most Patriot Express by Asset Size
Most RLA loans
Most improved from FY '08
Community Express Lender
Capline (small/standard asset based) lender
Most 504 by Small Rural Lender
New SBA Lender (at least one loan)

For information regarding the Annual Lender Recognition Breakfast, please contact Pat Fewkes at (801) 524-3218 or patricia.fewkes@sba.gov.

SCORE News

Gonzalo Palza has stepped down as the Utah SCORE District Director. He is succeeded by Loy Rasmuson, a long-time SCORE volunteer and former SBA employee.

SBA would like to thank Gonzalo for the many years of hard work and dedication he provided. Gonzalo still plans to continue counseling, and he will also continue to participate on a National SCORE Diversity Task Force, which is one of the strategic goals of National SCORE.

Congratulations to Loy for accepting the new appointment to lead the SCORE's statewide efforts in Utah. Loy worked at SBA for 27 years, serving as SBA's liaison to SCORE for 15 of those years. After retiring from SBA, she began her volunteer work as a SCORE counselor. Loy subsequently spent two years as the Salt Lake Chapter Vice-Chair before serving the past two years as the Salt Lake Chapter Chair.

GOING GREEN for the HOLIDAYS ENERGY EFFICIENCY OPPORTUNITIES

There is no substitute for a comprehensive energy survey and analysis, but if a small business "doesn't do anything else" here are some simple, high "return on investment" energy efficiency opportunities. These 12 "sure savers" include:

1. Turn off lights and equipment when not in use.
2. Buy ENERGY STAR qualified products.
3. Install lighting occupant sensors in proper locations.
4. Adjust lighting to actual needs—use free "daylighting".
5. "Tune-up" heating/air-conditioning (HVAC) system with an annual maintenance contract.

6. Regularly change or clean HVAC filters.
7. Install a programmable HVAC thermostat.
8. Replace incandescent light bulbs with compact fluorescent light bulbs (CFLs), wherever appropriate.
9. Install LED (light-emitting diode) exit signs.
10. Control direct sun through windows, both summer and winter to prevent or gain heat.
11. Use ceiling fans for lower cost comfort.
12. Plug air leaks with weather-stripping and caulking

LENDER	October Loan Numbers	October Total Dollars	YTD Loan Numbers	YTD Dollars
1st Bank	0	0	1	\$210,000
ALLIANCE COMMUNITY FCU	0	0	1	\$35,000
AMERICA FIRST FCU	5	\$95,000	11	\$310,700
AMERICAN BANK OF COMMERCE D/B/A AMBANK	0	0	2	\$270,300
AMERICAN BANK OF THE NORTH	0	0	0	0
BANK OF AMERICAN FORK	1	\$150,000	2	\$350,000
BANK OF THE WEST	0	0	0	0
BANK OF UTAH	2	\$1,082,000	4	\$1,479,000
BARNES BANKING COMPANY	0	0	1	\$35,000
BEACH BUSINESS BANK	0	0	0	0
BEEHIVE CU	1	\$20,000	2	\$55,000
BRIGHTON BANK	2	\$162,000	7	\$386,000
CACHE VALLEY BANK	1	\$125,000	1	125,000
CAPITAL COMMUNITY BANK	3	\$369,000	3	\$369,000
CELTIC BANK CORPORATION	7	\$5,347,300	8	\$6,447,300
CENNTENNIAL BANK	1	\$236,900	1	\$236,900
CENTRAL BANK	1	\$10,000	1	\$10,000
CYPRUS FCU	0	0	2	\$186,000
FIRST UTAH BANK	0	0	3	\$150,000
FRONTIER BANK, FSB	0	0	0	0
GOLDENWEST FCU	1	\$25,000	3	\$156,000
GRAND VALLEY BANK	0	0	0	0
GRANITE FCU	0	0	2	\$100,000
HERITAGEWEST FCU	0	0	1	\$99,500
HORIZON UTAH FCU D/B/A HORIZON CU	1	\$64,500	1	\$64,500
JORDAN FCU	1	\$50,000	3	\$135,000
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	5	\$2,451,000	9	\$2,856,000
KEYBANK NATIONAL ASSOCIATION	1	\$35,000	3	\$75,000
MOUNTAIN AMERICA FCU	10	\$1,157,000	40	\$2,027,000
MOUNTAIN WEST BANK	0	0	0	0
MOUNTAIN WEST SMALL BUSINESS FINANCE	17	\$8,873,000	26	\$14,447,000
NEVADA COMMERCE BANK	2	\$849,900	2	\$849,900
SOUTHWEST COMMUNITY FCU	2	\$75,000	4	\$125,000
STATE BANK OF SOUTHERN UTAH	8	\$272,600	22	\$2,134,000
SUPERIOR FINANCIAL GROUP, LLC	1	\$15,000	6	\$67,500
THE FIRST NATIONAL BANK OF LAYTON	1	\$58,000	1	\$58,000
U.S. BANK NATIONAL ASSOCIATION	2	\$199,400	5	\$284,400
UNITED MIDWEST SAVINGS BANK	0	0	1	\$1,400,000
UNIVERSITY FIRST FCU	0	0	0	0
USU CHARTER FCU	0	0	1	\$40,000
UTAH CENTRAL CREDIT UNION	0	0	0	0
UTAH CERTIFIED DEVELOPMENT COMPANY	6	\$2,510,000	10	\$4,521,000
UTAH COMMUNITY FEDERAL CREDIT UNION	0	0	0	0
UTAH FIRST FCU	1	\$30,000	4	\$160,000
VECTRA BANK COLORADO, NATIONAL ASSOCIATION	63	\$4,551,000	133	\$11,204,800
WELLS FARGO BANK, NATIONAL ASSOCIATION	6	\$1,730,400	11	\$3,173,500
ZIONS FIRST NATIONAL BANK	6	\$1,045,000	18	\$2,251,600
TOTALS	160	\$31,589,000	356	\$56,885,600